

HB 2449

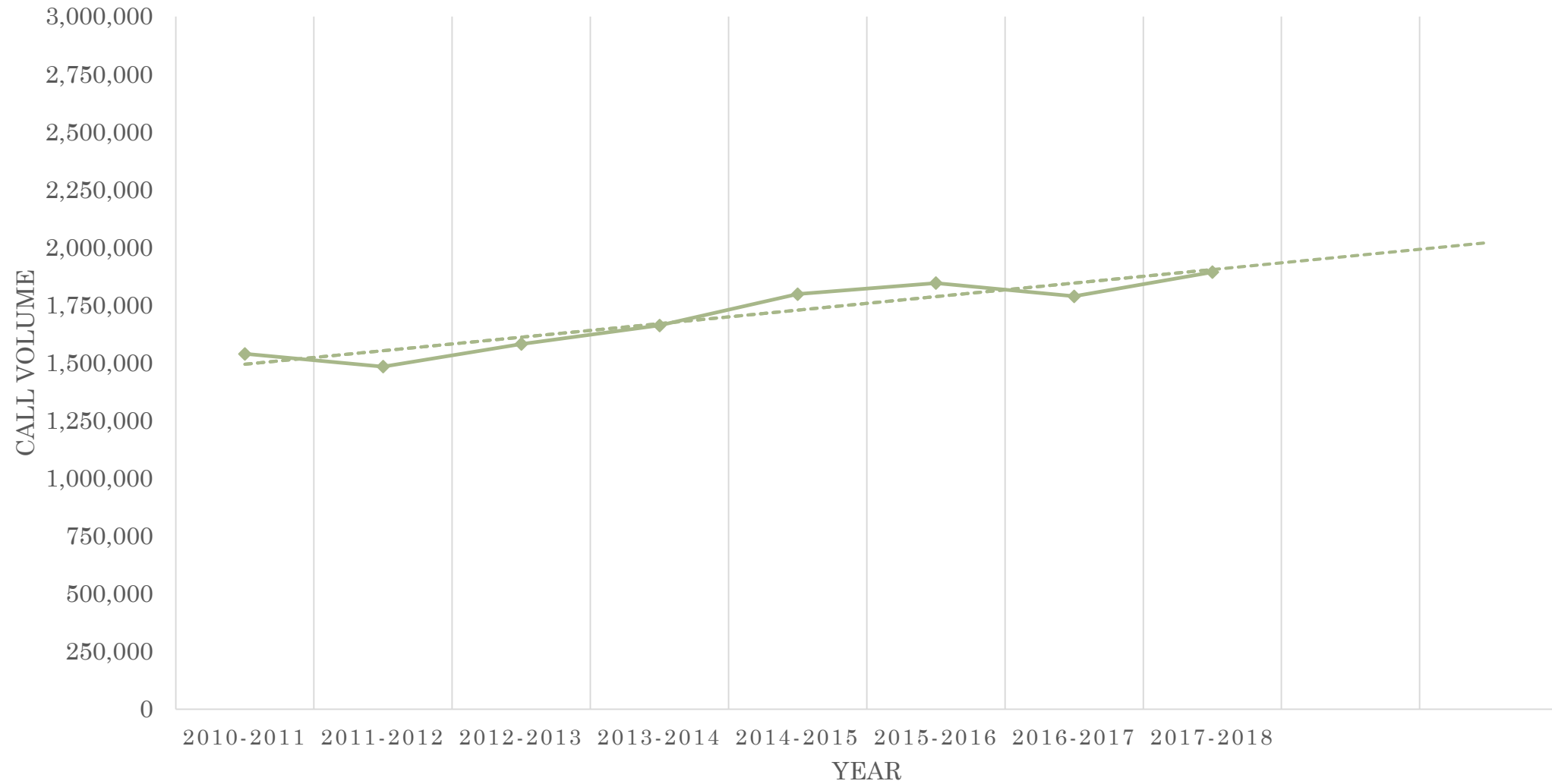
State 9-1-1 Revenue Reform

March 12, 2019

Background – Tax and Funding

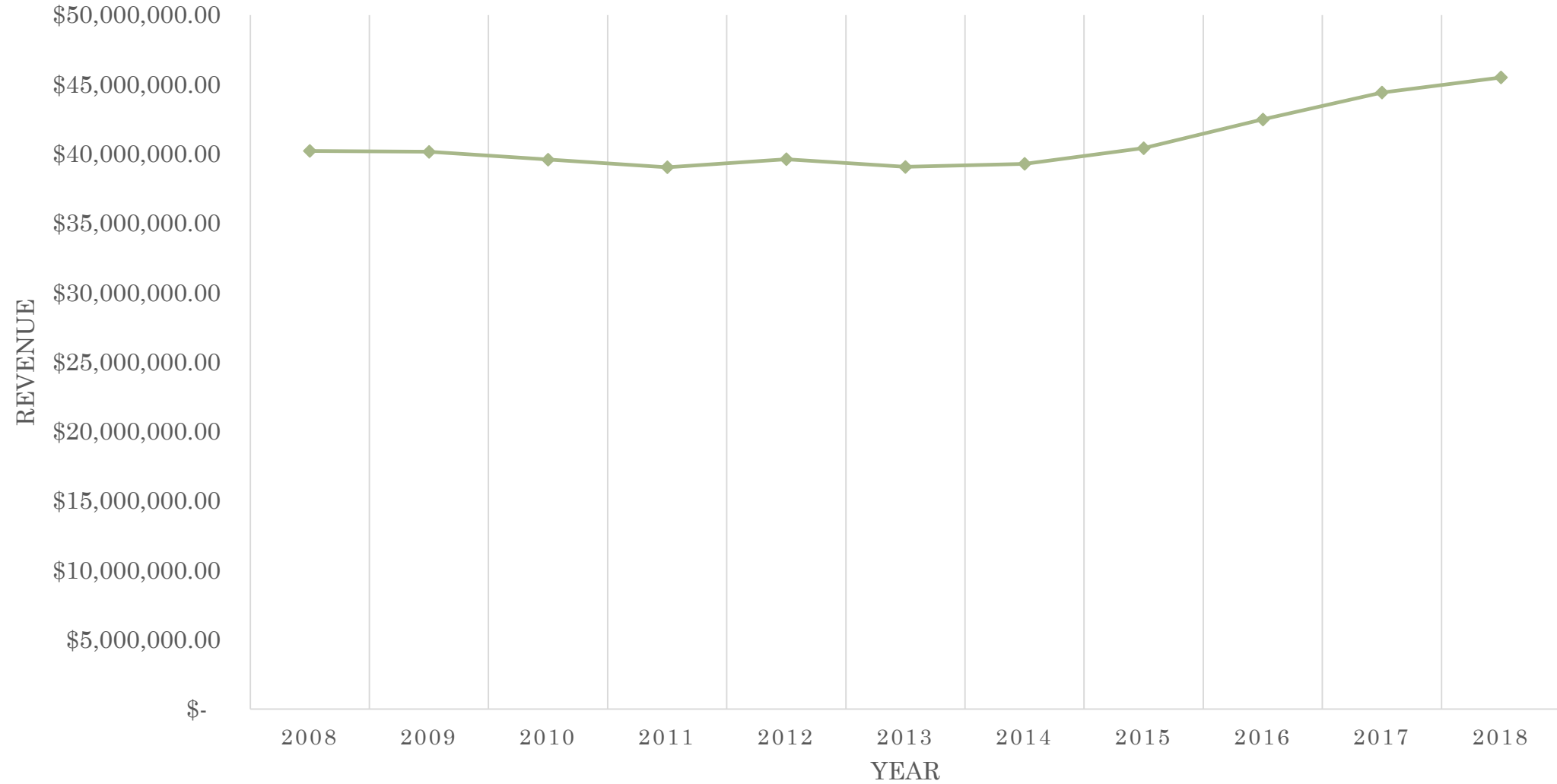
- History
 - 1981 – Oregon Legislature mandated 9-1-1 services and instituted a 3% surcharge on subscriber's telephone lines
 - 1991 – Increased the surcharge to 5%
 - 1995 – The 5% surcharge was converted to an approximate equivalent \$0.75 surcharge
- Tax Breakdown
 - 60% of the revenue is distributed to counties and cities for operation of PSAPs
 - Distribution is in proportion to population, but no county can receive less than 1% of the distribution
 - 35% of the revenue is managed by the Office of Emergency Management
 - 4% of the revenue is used to pay for the Office of Emergency Management administrative costs associated with the program
 - 1% of the revenue is used to pay for Department of Revenue administrative costs associated with the program

9-1-1 CALL VOLUME 2010-2018



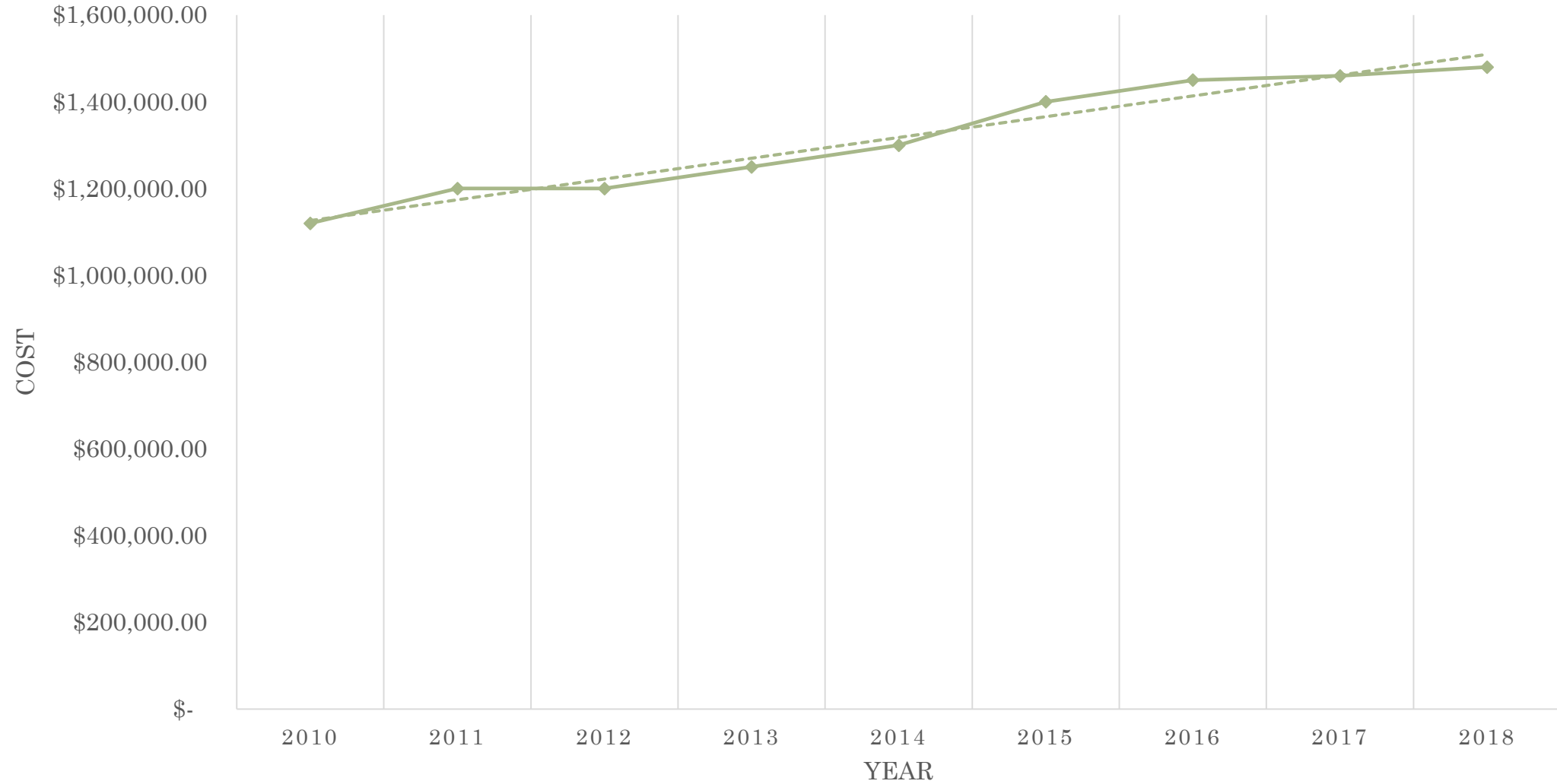
*Data provided by Office of Emergency Management

9-1-1 ANNUAL SURCHARGE REVENUE



*Data provided by Office of Emergency Management

YEARLY STATEWIDE EXPENDITURES

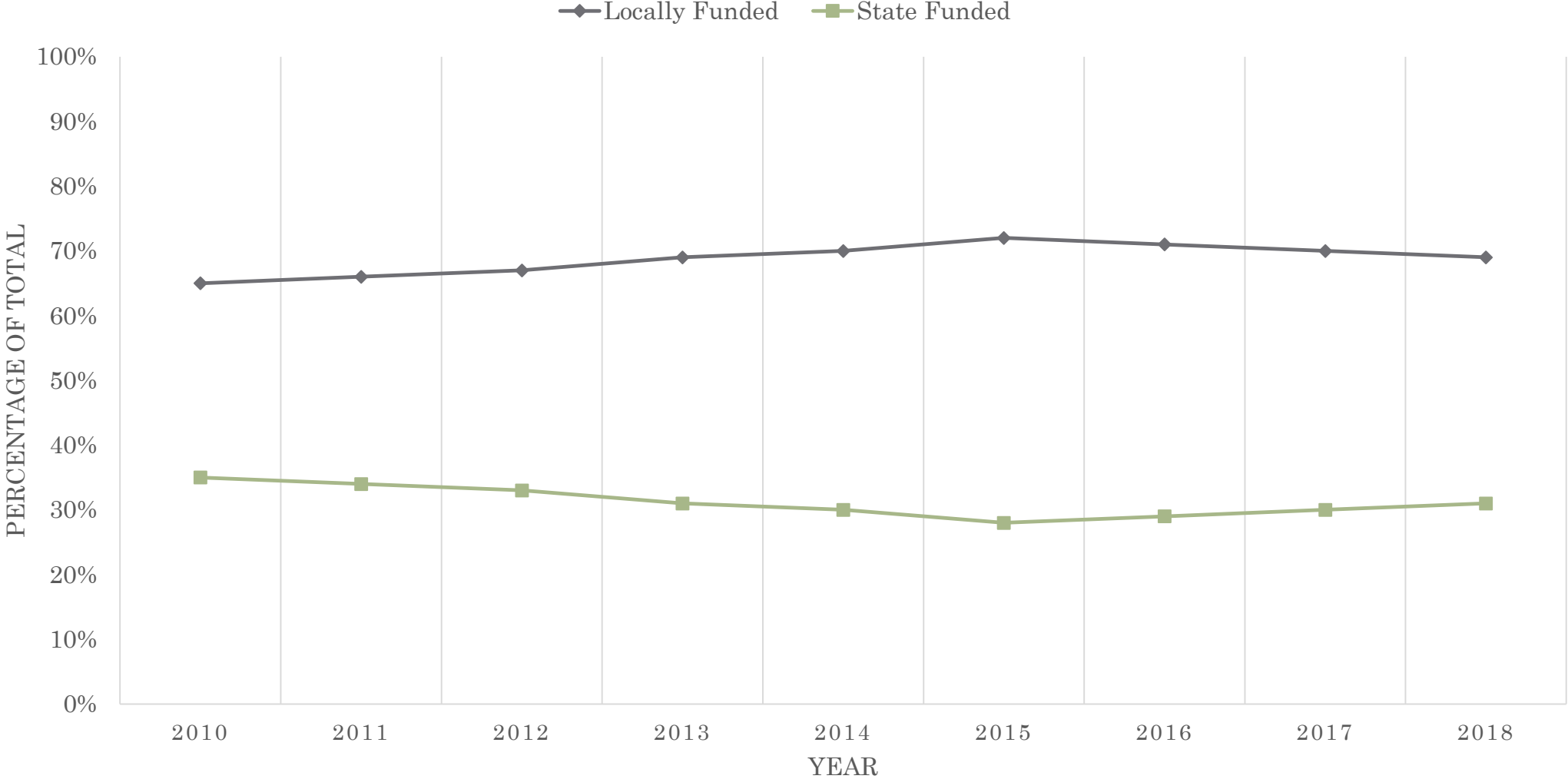


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9-1-1 Increased Cost Breakdown

- Implementation of statewide digital network
- Text-to-9-1-1 service
- Call taking equipment mapping hardware, software, and licensing
- Increase in disbursement levels for geographic information systems data management
- Need for additional call taking workstations due to increased call volume
- Increased phone system vendor maintenance costs
- Increase 9-1-1 call delivery infrastructure costs due to increased statewide call volume
- General inflation of all subaccount products and services

STATE VS. LOCAL 9-1-1 CONTRIBUTIONS



*Data provided by Office of Emergency Management

Problems and Solution

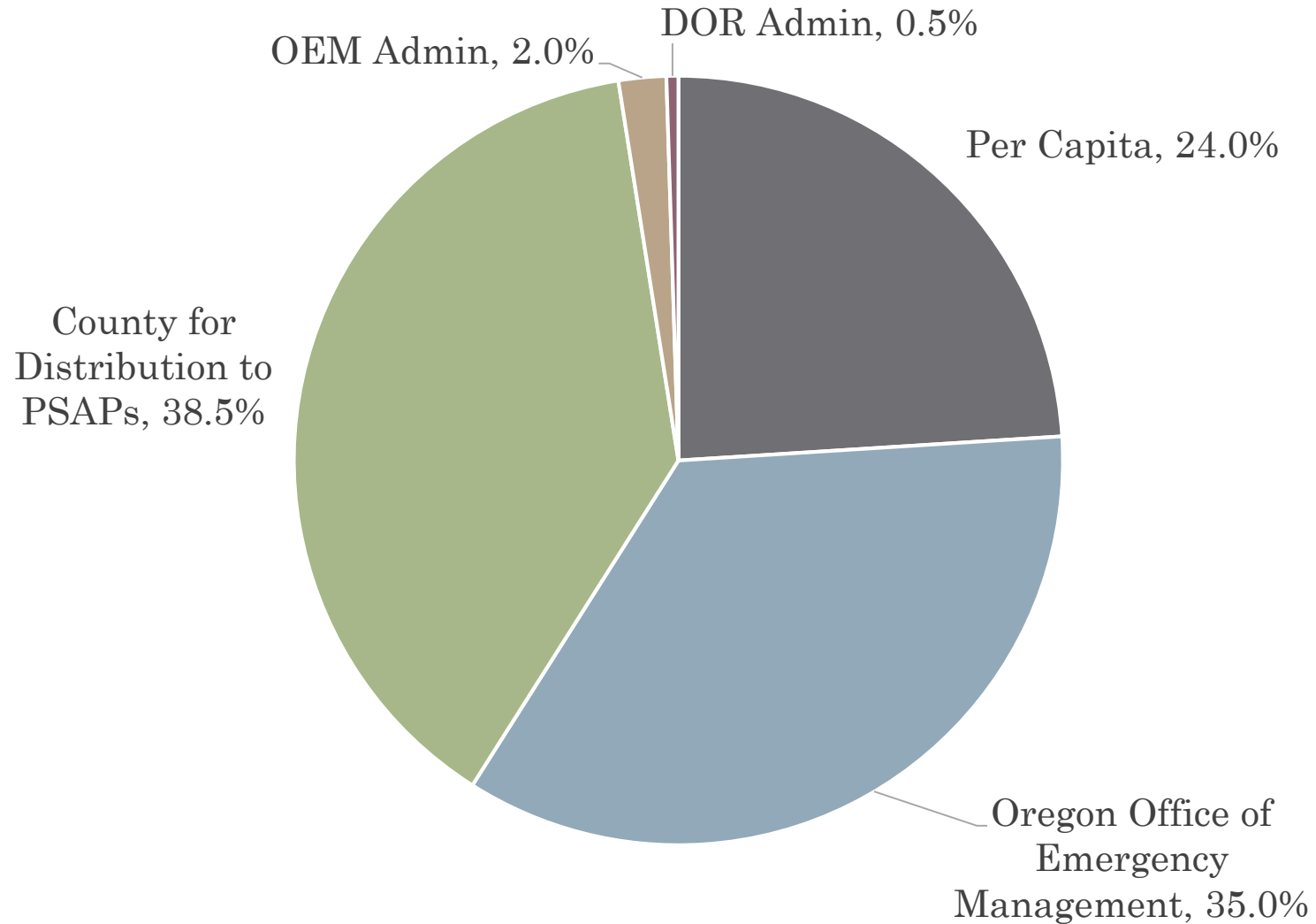
Problems

- The tax has not increased since 1995
 - Rural counties are severely underfunded
- Taxes generally cover less than 25% of the costs of total PSAP operations
- Costs are increasing up to 8%-15% per year
- Many PSAPs are understaffed

Solution – HB 2449

- Increase tax from \$0.75 to \$1.50 for wireless and wireline telecommunication and each retail transaction
- Decrease the amount DOR receives from 1% to 0.5% for administrative costs
- Decrease the amount OEM receives from 4% to 2% for administrative costs

HB 2449 9-1-1 Revenue Distribution



■ Per Capita ■ Oregon Office of Emergency Management ■ County for Distribution to PSAPs ■ OEM Admin ■ DOR Admin